

Acting Chief, Economic Research Area, ORR

4 November 1959

Acting Chief, Industrial Division, ORR

Monthly Report, October 1959

I. Relations with and Support to Other Components:

A. CIA:

1. Suggestions were submitted for inclusion in the ORR contribution to the semi-annual report to the President's Board of Consultants on Foreign Economic and Geographic Intelligence Activities covering the period 1 April - 30 September 1959.

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2. [REDACTED] (I/PE) submitted to the AD/RR and CSS an evaluation of the observations of Seymour Melman, Professor of Industrial Engineering at Columbia University, on the machine tool industry of the USSR. Professor Melman's observations were contained in The New York Times of 26 October 1959. (See also item #15 below.)

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3. [REDACTED] (I/PE) briefed members of the Photographic Branch, Graphics Register, ORR, on [REDACTED] and discussed a change in the [REDACTED] that would facilitate 25X1B4d recovery of photographs from the files.

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4. [REDACTED] (I/GM) represented ORR at the joint OO/OSI/OSI conference held in San Francisco in early October to evaluate the [REDACTED] collection program and 25X1A2g to discuss operational problems encountered to date. During the discussion, it became clear that the program had been of considerable value to both principal consuming Offices, particularly ORR. There was general agreement that more detailed guidance was required from the customers, and the proposed ORR/OSI [REDACTED] received 25X1A2g enthusiastic approval. It is likely that the program will be continued and enlarged somewhat to include additional OO/C personnel and field offices.

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5. [REDACTED] (I/PE) prepared briefs on the Nevskiy Plant in Leningrad and the "Sel'mash" Plant in Chirchik for use of I/D/P interrogation centers.

6. Chief, I/GM provided support to GMN and the Director in connection with the preparation for the President of material on estimated Soviet ICBM production programs.

SUBJECT: Monthly Report, October 1959

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7. Considerable I/GM time and effort was devoted to reviewing a succession of OSI proposals for [REDACTED] against certain types of [REDACTED] and attempting to persuade OSI of their operational infeasibility. The attempt failed and a unilateral OSI proposal has been prepared and forwarded.

8. Support to OCI by I/GM included the preparation of comments on two occasions on preliminary [REDACTED] views of the 25X1X7 likelihood of current deployment of Soviet 700 n.m. missiles in East Germany and the preparation of a Current Support Memorandum on Modifications in Moscow Surface-to-Air Missile Defenses.

B. USIB:

Exchange Committee:

9. A memorandum was prepared by I/AR presenting information about transport aircraft production factories in the USSR. This information is to be used in connection with the Civil Aircraft Production Exchange.

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10. [REDACTED] (I/PE) provided a list of USSR plants believed to be producing nucleonic precision mechanisms as well as plants using such equipment for monitoring and controlling production processes.

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11. Biographic information and requirements were prepared by I/PE for [REDACTED] who are scheduled to attend a conference on industrial hydraulics in Chicago.

C. Other:

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25X1X7

12. [REDACTED] (I/AR) visited [REDACTED] to coordinate research findings regarding aircraft production in the Sino-Soviet Bloc.

13. Representatives of ATIC contacted I/AR personnel to discuss a methodology for estimating the production of aircraft. Their proposed method is based upon available labor force, plant tooling and plant layout. Also, [REDACTED] (I/PE) briefed intelligence analysts from ATIC on Soviet machine tools and metalforming machinery and on fabricating processes used in the USSR.

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14. [REDACTED] Laboratories, with a recommended itinerary of construction and equipment plants in the USSR. [REDACTED] hopes to spend approximately two months in the USSR while compiling data for a

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SUBJECT: Monthly Report, October 1959

15. Support was rendered the Department of State by I/EE in the form of an evaluation of an article in the New York Times on the Soviet machine tool industry.

25X1A6a 16. At the request of MDAC/State, Chief, I/EE traveled to [redacted] for the purpose of providing intelligence support on electronics to U.S. negotiators engaged in the 1959 review of the CCCOM list.

25X1A9a 17. [redacted] (I/EE) conducted discussions with officials of the Electronics Production Resources Agency on the possibility of obtaining from EPRA certain data which would facilitate costing the electronics component of military hardware procurement. Mr. Sperry, Deputy Director of EPRA and Mr. Harris, Chief of EPRA's Plans and Analysis Division have requested that another meeting be held in the first week of November to discuss this matter in greater detail. Pursuing the same line of discussion with Mr. Harris, Chief, Electronics Division, Business and Defense Services Agency, [redacted] (I/EE) learned that EDSA has already initiated a survey aimed at determining the dollar value of electronics in a wide range of U.S. military end equipment. Results of the survey will not be published, however, until December.

25X1A9a 18. Chief, D/I and [redacted] (I/GM) met with Dr. J. B. Wiesner, Consultant to the President's Scientific Adviser, to present and discuss an informal paper prepared by I/GM in preliminary response to a request made of the AD/SI by Dr. Wiesner for information on clandestine ICBM production under conditions of general disarmament. It was agreed that CIA would attempt to arrange for a detailed study to be made to provide the specific data Dr. Wiesner requires.

25X1A9a 19. Arrangements have been made for [redacted] (I/GM) to represent CIA as a member of the Surface-to-Surface Missile Ad Hoc Committee of the Air Force Guided Missile Panel. This group deals primarily with intelligence on missile deployment in the USSR and Satellites.

25X1X7 20. Chief, I/GM briefed [redacted] during the OSI portion of the latter's visit to the Agency, on the production and deployment of Soviet missiles and on OMR's views on the possibility of a Chinese Communist missile program.

21. Members of I/GM hosted SAC's formal briefing of various Agency components on the Soviet Surface-to-Air Missile Threat and, in conjunction with OCI, made arrangements for the reproduction and distribution of the SAC briefing aids to the intelligence community.

SUBJECT: Monthly Report, October 1959

II. Changes in Estimates:

22. No significant changes to report.

III. Future Plans:

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23. I/SM is planning to send two representatives to the
[REDACTED] Shipbuilding Conference to be held [REDACTED] 2-5 November 1959. 25X1X7

24. Chief, I/ME will visit the [REDACTED] during 25X1A5a1
November to follow up on certain recommendations made by Chief,
Economic Research as a result of his visit [REDACTED] in September. 25X1A5a1

IV. Problems:

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25. [REDACTED] (I/OM) will address the annual Clandestine
Scientific and Technical Operations Course on the collection of
guided missile production and deployment information. This is the
second year in which, to our knowledge, I/OM has provided the only
CNR representation in this basic 4-week orientation course for
clandestine collectors sponsored by OSI. It again raises the
question of whether CNR should consider sponsoring some formal
program to insure adequate presentation of CNR interests to DD/P
field and headquarters personnel.

26. Two of the three target studies assigned to OSI under
the joint CNR-OSI project formally requested by DD/P, have now been
published without coordination with CNR, and coordination of the
third appears unlikely, despite informal protests. The two
published studies are believed to be quite inadequate, particularly
in that they do not reflect CNR's collection requirements on the
missile production activities of the target facilities. I/OM is
considering recommending official action by the Office in this case.

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27. Last month the preparation was reported of a comprehensive
requirement [REDACTED] culminating in the exchange of correspondence 25X1D0a
between the DD/I and the [REDACTED]. This month it must be
reported that the [REDACTED] which is the target of this require- 25X1D0a
ment has stated informally that it cannot accept the requirement.
If this position is upheld by higher [REDACTED] it will 25X1D0a
presumably be necessary to seek further DD/I intervention.

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